

3 Apr 59

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INCODE

NVAA 1540, 22 August 1957
NVAA 2585, 6 October 1958
NRAA 153, 23 October 1958

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1. A review of Headquarters files on Israeli activity in Ethiopia, Eritrea and French Somaliland reveals that considerable confusion exists concerning the Industry and Commerce Development Company (INCODE) and the Israeli personnel connected with it. In an effort to clear up at least some of this confusion the Desk is compiling all data presently available to it on INCODE and pertinent Israeli personnel. This dispatch represents our effort to bring order out of steadily mounting confusion.

2. INCODE, Ltd. (often referred to as INCOA), an Israeli-controlled butchering, freezing and meat packing firm, appears to have been founded in 1952 with head offices in Switzerland and with branch offices in Tel Aviv, Asmara, Djibouti and Addis Ababa. The firm at this time was directed by Mr. Jacob ^WZALI ^WERDNER, a former leader of the ^WIZM ^WZALI ^WERDNER. The firm's major activity consisted of the butchering, freezing and/or canning of East African meat for shipment to Israel. During the period 1952-54 INCODE managed to supply approximately 15% of Israel's total beef imports but found itself in more or less constant financial difficulties.

3. In the spring 1954 the Israeli government, represented by the Minister of Finance, formed a new company with the Tel Aviv office of INCODE, Ltd. specifically for the import and purchase of meat from Eritrea and Ethiopia. The Israeli government assumed control of 51% of the voting stock of the new organization with the remainder held by private Israeli investors. The new company prospered no better than its predecessor. The Israeli government found it necessary to invest additional capital and, due to the restrictions placed on the importation of East African meat into Europe under an FAO convention, became the sole market for INCODE's meat exports. The Israeli government imported the meat despite the FAO convention because the meat processing was carried out under the supervision of the Israeli Veterinary Service.

4. A spokesman for INCODE has stated that the primary motive of the Israeli government's partnership in the firm lies in the fact that all meat imports entering Israel are on consignment to the government through the office of the Food Controller in the Ministry of Commerce and Industry. However, as the government has been the sole importer of meat since the founding of the State and as it has not seen fit to join in an importing company of this type before, it seems likely that the real motives behind the new firm were other than purely economic.

5. Recent newspaper articles indicate that INCODE has once again come under careful Israeli government scrutiny and that a new "regime" is taking over. An article in a Tel Aviv newspaper of 3 February 1958 reported that an agreement involving a "joint-ownership-management" of INCODE was made between the Israeli government, the ^WIZM ^WZALI Company and Lt. Co. Yosef ^WHARL (see NVAA-69 for this ^WZALI man's connections with Israeli intelligence). The same newspaper, ^WIZM ^WZALI 7575 reported on 13 February 1958 that representatives of the ^WIZM ^WZALI company had left for Ethiopia. These men were identified as Yehiel ^WIZM ^WZALI (aka ^WIZM ^WZALI), the Government's representative in the company's new management; Avriel ^WIZM ^WZALI (business manager), production manager; Benyamin ^WIZM ^WZALI, Administrative manager; and a number of kashrut personnel. An article from the ^WIZM ^WZALI of 9 October 1958 states that the first deliveries of meat from the reorganized ^WIZM ^WZALI Meat Company at Asmara are expected next month. The manager of the company is identified as Mr. Yosef ^WHARL (201-7575) who has announced that his company plans to slaughter about 1,000 head of cattle monthly.

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6. Key Israeli personnel having a connection with ENCODE at one time or other are as follows:

a. Joseph Ben Moshe Mordecai HAMBURGER-HAREL (201-7575) aka Joseph Israel HAMBURGER-HAREL, aka Joseph Israel HAREL, aka Yosef HAREL. HAREL holds the rank of Lt. Col. in the Israeli Army and has been identified by ODENY as Israeli intelligence (See NMW 69).

b. (fmu) YARON, aka Yehiel YARON, aka Bobby LUSTIG. MVA 1640 of 22 August 1957 identifies LUSTIG as a senior official of ENCODE who, prior to his arrival in Ethiopia, had served as a department chief in the Israeli CID. As of August 1957 LUSTIG was a friend of JEREP, a self-confessed Israeli intelligence agent.

c. Aerial SHAVIV (SHAVIVSKI), possibly identical with E. SHAV (201-248964) (these may be entirely different men). The 13 February 1958 issue of HEMUT identifies Aerial SHAVIV as the production manager of ENCODE. Asmara CONTEL G-6 of 18 November 1958 identifies Aerial SHAVIV as the "manager" of ENCODE and states that SHAVIV conferred for five hours on 12 November 1958 with Mr. Istvan LINGER (201-215776) the Hungarian Commercial Attaché in Khartoum.

d. Benjamin MARKONI. The 13 February 1958 issue of HEMUT, a Tel Aviv newspaper, identifies Benjamin MARKONI as "administrative manager" of ENCODE.

e. Rahamin TIMOR, aka (fmu) RUSSO. The 1958 Diplomatic List for Ethiopia identifies a Mr. Rahamin TIMOR as Vice Consul of the Israeli Consulate General in Addis Ababa. MRAA 130 of 18 September 1958 identifies a (fmu) RUSSO as Commercial Attaché of the Israeli Consulate General in Addis Ababa who was formerly (about 1956) employed by ENCODE.

f. DAVID KAREN. Mr. KAREN visited Ethiopia in May 1957 to conduct an "economic reconnaissance" on the prospects of developing Israeli agricultural activities in that country. (Headquarters comment: This mission may have recommended that ENCODE be revitalised.)

g. Reuben ALONI. Chief, Land Department, Israeli Ministry of Agriculture. ALONI visited Ethiopia in late 1957 as a result of a series of recommendations made by KAREN.

h. Gabriel SONPERFELT. Member of the ALONI group.

i. (fmu) SCHLAI. Member of the ALONI group.

j. Arthur BEN NATHAN, aka BEN NATHAN, Ascher, aka Ascher BEN NATHAN-COHEN, aka Arthur BEN ZWI, aka Arthur PIER, aka Arthur PERNIKARZ, aka Ascher PERNIKAZ. Subject is known to have been connected with ENCODE in September 1955 as the Israeli Government Representative; in November 1955 as Manager, and in March 1956 as Director. In January 1957 Subject went to Paris as a member of the Purchasing Mission of the Israeli Ministry of Defense. Subject is presently being considered for the post of Director General of the Israeli Ministry of Defense. Subject has a long history of Israeli Intelligence activity but reportedly "retired" in 1951 over some differences of opinion.

7. It would appear extremely likely from the foregoing that ENCODE is being used as a cover for Israeli intelligence activities in the Horn of Africa. Continued Israeli government financial support in the face of steady losses together with positive identification of Israeli intelligence personnel on the firm's roster lend credence to this assumption.

8. Headquarters therefore requests continued reporting on all aspects of ENCODE activity in the Horn together with CP/CI information on all personnel (both Israeli and indigenous) in any way connected with ENCODE endeavours.

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